

SUMMARY OF CONTRACT REQUEST TO THE HEALTH COMMISSION

Contractor	<u>SpendMend LLC</u>	Division/Section	<u>DPH/ SFHN</u>
Address	<u>2680 Horizon Dr. SE</u>	Deputy Director	<u>Roland Pickens</u>
	<u>Grand Rapids, MI, 49546</u>	DPH Administrator	<u>David Woods</u>
Contact	<u>Rich Iverson</u>	Program Administrator	<u>Swati Patel</u> Phone <u>415.206.8462</u>
	<u>riverson@spendmend.com</u>	Contract Analyst	<u>Philip Mach</u> Phone <u>415.554.2675</u>

Request for approval of a new contract with SpendMend LLC to perform 340B Drug Pricing Program Consulting Services. The total proposed contract amount is \$427,840 which includes a 12% contingency for the term of October 1, 2021 Date through September 30, 2025 (4 years).

Profit
 Non-Profit
 LBE
 RFP-Number: 34-2020
 Date: 12/11/2020
 New
 Renewal
 Mod
 Sole Source
 Date: _____

Number of years DPH has been doing business with this organization: 0

<u>CONTRACT INFORMATION:</u>	<u>Prior Transaction</u>	<u>Proposed Transaction</u>	<u>Annualized Difference*</u>
	New – No Prior Transaction	10/01/2021-09/30/2025	
<u>Funding Sources:</u>			
<u>General Fund</u>	<u>-\$0-</u>	<u>\$382,000</u>	<u>\$382,000</u>
<u>TOTAL DPH REVENUES</u>	<u>-\$0-</u>	<u>\$382,000</u>	<u>\$382,000</u>
<u>12% Contingency Amount</u>	<u>-\$0-</u>	<u>\$45,840</u>	<u>\$45,840</u>
<u>CONTRACT TOTAL</u>	<u>-\$0-</u>	<u>\$427,840</u>	<u>\$427,840</u>
<u>ANNUAL AMOUNT OF CONTRACT (estimate)</u>	<u>-\$0-</u>	<u>\$95,500</u>	<u>\$95,500</u>
<u>Agency Funds</u>	<u>-\$0-</u>	<u>-\$0-</u>	<u>-\$0-</u>
<u>Contract FTE</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

PROPOSED:

<u>Mode(s) of Service & Unit of Service Definition</u>	<u>No. Of Clients</u>	<u>No. of Units</u>	<u>Unit Cost (per audit)</u>
<u>UOS = One Audit</u>	<u>N/A Duplicated</u>		
<u>Comprehensive Specialty Pharmacy 340B Program Opportunity and Compliance Assessment AND Outpatient Specialty Pharmacy Purchasing and Contract Pharmacy Audits - Hospital</u>	<u>N/A Unduplicated</u>	<u>1</u>	<u>\$25,000.00/ Annually</u>
<u>Comprehensive Specialty Pharmacy 340B Program Opportunity and Compliance Assessment AND Outpatient Specialty Pharmacy Purchasing and Contract Pharmacy Audits - CHC Consortium</u>		<u>1</u>	<u>\$18,000.00/ Annually</u>
<u>Quarterly review of Covered Entity prescribing records with Specialty Contract Pharmacy's 340B dispensing records - Hospital</u>		<u>4</u>	<u>\$5,000.00/ Quarterly</u>

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PROPOSED:

Mode(s) of Service & Unit of Service Definition	No. Of Clients	No. of Units	Unit Cost (per audit)
Quarterly review of Covered Entity prescribing records with Specialty Contract Pharmacy's 340B dispensing records - CHC Consortium		4	\$5,000.00/Quarterly
As-needed Optional Professional Services			
Pharmacist Auditor			\$350/hour
Non-Pharmacist Auditor			\$250/hour

Explanation of Service Change and Variances:

This is a new contract.

Monitoring Report/Program Review & Follow-up:

The contract will be monitored in accordance with all applicable Departmental procedures through the Pharmacy department.

Nondiscrimination and Cultural Competency:

The Contractor will participate in applicable cultural competency requirements.

Other Significant Issues:

The Contractor shall provide ongoing support in 340B program management. Included are audit services, compliance reviews and recommendations, program optimization, and strategic recommendations for the covered entities, which currently includes one disproportionate share hospital, including an on-site retail pharmacy, Department of Public Health community health centers, and contract pharmacies

SpendMend is a Limited Liability Corporation and is the leading provider of tech-enabled, cost-savings solutions in the healthcare industry. Combining the use of data, proprietary technology, and rigorous analytics with its healthcare focus and expertise, SpendMend partners with healthcare networks to improve and optimize their costs in meaningful and collaborative ways. SpendMend's mission is to help its clients improve their patient care through innovative cost-savings solutions.

SpendMend LLC was selected under RFP 34-2020. SpendMend LLC was the highest ranked proposer. The RFP allows for a contract of up to 9 years which includes contract options which may or may not be exercised.

Listing of Board of Directors, Owners of 10% or More of the Firm, and Executive Director**Executive Director:**

Dan Geelhoed - CEO

There are seven (7) board members. Board members serve a term(s) shown below. There are no vacancies and there are term limits for members.

Rob Heminger – No Term Limit

Dan Geelhoed – No Term Limit

Sean Dempsey – No Term Limit

Nick Rowland – No Term Limit

Jonathan Lewis – No Term Limit

Rob Nahoopii – No Term Limit

Jody Hatcher – Two Year Term

Recommendation: The Department recommends approval of this contract.